

# LIQUOR INTERESTS BRANDED DISLOYAL

Senate Committee, in Report,  
Excoriates Nation's In-  
ternal Enemies.

## POISONED PUBLIC OPINION

Plots of Von Bernstorff and  
Aids Summarized and  
Exposed.

Special Despatch to THE SUN.

WASHINGTON, June 14.—In a report issued to-day by the Judiciary Sub-Committee of the Senate which ever since last September has been investigating the subject of German propaganda in this country, both before and during our participation in the war, certain of the brewing and liquor interests are accused flatly of disloyalty and of having assisted Germany in the following manner and by reason of these facts:

- That they furnished large sums of money for getting control of newspapers and periodicals.
- That they undertook to, and frequently succeeded in, controlling primaries, elections and political organizations.
- That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.
- That they have exacted pledges from candidates for public office prior to the election.
- That for the purpose of influencing public opinion they have attempted to subsidize the public press.
- That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.
- That they have created their own political organization in many States and in smaller political units for the purpose of carrying into effect their own political will and have financed the same with large contributions and assessments.
- That with a view of using it for their own political purposes they contributed large sums to the German-American Alliance, many members of which were disloyal and unpatriotic.

**Organized Clubs.**  
(1) That they organized clubs, leagues and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

(2) That they improperly treated the funds expended for political purposes as a proper expenditure of their business and consequently failed to return the same for taxation under the revenue laws of the United States.

(3) That they undertook through a cunningly conceived plan of advertising and subsidization to control and dominate the foreign language press of the United States.

(4) That they have subsidized authors of recognized standing in literary circles to write articles for their selection for many standard periodicals.

(5) That for many years a working agreement existed between the brewing and distilling interests of the country by the terms of which the brewing interests contributed two-thirds and the distilling interests one-third of the po-

litical expenditures made by the joint interests.

The committee summarizes the activities of the German and other Central European governments in this country before the war, reviewing the activities already familiar to the country, of Count von Bernstorff, formerly German Ambassador, Dr. Dernburg, Meyer Gumbert, Captain von Papan and Roy Ed. Dr. Heinrich Albert, Paul Koenig and others. It tells of the vast sums spent to influence American opinion, the attempts to control the markets in munitions and shipping and the various propaganda justifying German frightfulness and such acts as the sinking of the Lusitania.

The committee describes the organization of the German information bureau which issued "news" favorable to the German cause and provided free to American newspapers. From 500 to 800 newspapers were supplied by the service. It was cooperated closely with the publication of the *Fatherland*, the *Viereck* weekly in New York.

The effort by Dr. Dernburg and Dr. Albert to buy a daily newspaper in New York and their ultimate success in purchasing the *Evening World* and the *World* of Edward A. Rumely in charge as editor is merely alluded to in passing. Dernburg, the committee states, was never a diplomatic agent of Germany.

### Favored Irish Freedom.

Besides the German news service, the bureau maintained various publications devoted to Irish freedom. Part of the system was to enlist the college professors in Germany, and the committee says there is a record of eminent professors and teachers who wrote and lectured for the cause.

Another propaganda effort was to convince the Jews in America that inasmuch as Germany was fighting Russia and Russia had always oppressed the Jews, the Jews in America ought to sympathize with Germany. This particular work was in charge of Dr. Strauss. It said the German Government up to June 21, 1918, had sent German propaganda \$738,000, and in addition about \$1,700,000 in buying and handling the *New York Evening Mail*. Germany's chief German method of propaganda was the *German-American Alliance*, which sent large quantities of literature into Mexico.

Through the Sayville wireless station news and information were being passed between this country and Germany and a great deal of the current information concerning war happenings that went to make up the German information service was received in this way. When the war began the Germans controlled wireless plants at Sayville and Tuckerton, N. J., through which communications were forwarded to various centers for distribution in Central and South America and the West Indies.

A chief German method of propaganda was the moving picture company which was organized under German control and a scheme devised to smuggle films into the United States through neutral countries. As a result of which some of the German agents were sentenced to terms of imprisonment. Nevertheless, many films were brought over and considerable distribution was obtained.

An effort was made "to interest the Hearst Film Service in handling all of the films obtained and produced by this company, but the proposition was not consummated," the report states.

Referring to particular people who were useful in the German propaganda, the report says: "The most important and far reaching of the efforts made by the German Government and its sympathizers was the organization of what was known as the American Emancipation Conference, which was organized in the summer of 1915."

The report deals with the organization of the German movement to prevent American supplies being sent to

the enemies of Germany, and says the embargo conference was particularly active in the middle Western States.

Members of Congress were flooded with telegrams, all prepaid by the embargo conference management, which was largely financed by the German Government. In September, 1916, von Bernstorff communicated to the Foreign Office in Berlin.

"The embargo conference in regard to whose fruitful cooperation Dr. Hale can give information is just about to enter upon a vigorous campaign to secure a majority in both houses of Congress favorable to Germany and requests support. There is no possibility of our being compromised."

And in January, 1917, the Count sent this to the German Foreign Office: "I request authority to pay out \$50,000 to influence Congress through the organization you know of, which can perhaps prevent war."

"I am beginning in the meantime to act accordingly. In the above circumstances a public official German declaration in favor of Ireland is highly desirable in order to gain the support of Irish here." The committee says that about this time members of Congress began to receive urgent telegrams standing for peace and against war. The League of American Women for strict neutrality was organized by German propaganda in Baltimore. Dr. Hale engineered it and it received \$20,000 from the German fund for poster advertising.

The report was attempted to be made by the German Government to prove "by false affidavits of passengers and those claiming to be passengers that the Lusitania carried guns, which were afterward admitted to be false. Enormous publicity was given to the claim of the Germans that the Lusitania was armed and consequently the act of the German submarine in sinking her was justified."

### O'Leary Society Explained.

Jeremiah O'Leary's American Truth Society is expounded and explained by the committee at some length.

In March, 1915, Lewis M. Hammerling, president of the American Association of Foreign Language Newspapers, approached with a proposal to publish in the foreign language press an appeal to the American people against the manufacture and shipment of munitions to the Allies.

"This appeal was prepared and arrangements were made to publish it. In fact, \$205,000 was to be paid for its publication. Hammerling had sent agents to munition centers to learn the nationalities of the workers there. The appeal had an enormous circulation and was designed to reach the foreign born element and strengthen the propaganda against sending munitions to the enemies of Germany."

The committee concludes this phase of its report with the statement: "It appears from the evidence that there are several thousand foreign language publications in the United States, of which the large number were unpatriotic and disloyal to the United States, its principles and institutions, and it has been established that some of these were subsidized by the German and Austrian Governments. Nor was the foreign language press alone responsible for all pro-German propaganda."

"Many newspapers printed in English, both before and after the war, have been actually subsidized nor charged with actual violation of the espionage act, permitted in the endeavor through editorials, news columns and cartoons, to create a popular prejudice against the war and against effective action on the part of the United States."

"The effect of this attitude on the part of these newspapers was to encourage Germany and German sympathizers."

### Had Many Ramifications.

"It would be difficult to write a full and complete history of the ramifications of the German propaganda in the United States from the time of the beginning of

the European war down to the date of the departure of the official German group in February, 1917. Much of the material available discloses connections of various individuals and firms now under investigation by the Department of Justice and other information of persons now under indictment and awaiting trial.

"It is needless to say that perhaps only a comparatively small part of the whole system will ever be known. Sufficient evidence has been produced before this committee to establish the fact of the inauguration in the United States of a widespread system and most of its principal ramifications and activities."

"There is a sharp line of demarcation to be drawn between legitimate commercial enterprises conducted by a foreign Power within the United States and propaganda conducted for the purpose of influencing public opinion and official action. In order to prevent the assimilation of the alien coming to this country the Austrian Government organized a large financial institution, having branch offices throughout the country, and the active endeavor of this institution was to secure the funds and earnings of this institution for the purpose of influencing public opinion and official action."

"In this way as much as \$400,000,000 was annually sent out of this country. In connection with these financial activities this institution promoted the separatist movement, having for its purpose the holding together in nativist groups the alien elements of our population."

"The agitation," says the committee's report, "growing out of developments in Russia has largely degenerated into appeals to prejudice and animosity inherent in human nature, and little or no appeal has been made to the intelligence of people. The word 'Bolshevism' has become merely a generic term, and in America is nothing more than a slogan of the elements of unrest and discontent. Ignorant of its meaning almost every dissatisfied element from anarchist to Utopian idealist has seized on it as approaching Utopianism. Every witness championing its principles admitted he or she had not read the constitution."

## BOLSHEVISM TAKES ALL; GIVES NOTHING

Senate Committee Reports on  
Its Propaganda Here.

Special Despatch to THE SUN.

WASHINGTON, June 14.—Bolshevism has nothing to give America; it would take away from this country everything that makes it the community it is.

That is the general conclusion of the Senate subcommittee of judiciary, which was directed last February to inquire into Bolshevism propaganda here, to hear whether such efforts are directed and financed here and whether any party in this country is aiming to "overthrow the Government of this country or all Governments by force, or by the destruction of life or property, or by general cessation of industry."

The committee took a great deal of testimony about Bolshevism in Russia, but judged by its report, made public to-day, it did not find much to convince it that Bolshevism had not outside the habits of parlor radicalism. The report in the main is a description of the tenets and operations of Bolshevism in Russia, followed by a striking picture of the revolutionary changes that would take place in American life if it should be applied here.

### Not Applicable to United States.

Finding there are a good many people on this side who are rather academically moved by the Bolshevist argument, the committee notes that none of the radicals who appeared before it claimed that Bolshevism as a system is applicable to American conditions. It adds:

"Many well meaning persons have been deceived into the belief that they were promoting a social welfare movement in advocating it. They have even given their substance that it might be perpetuated and extended. Yet while these people who have been popularly

called 'parlor Bolshevists' are contributing to these Bolshevist agents, these same agents are appealing to the hatred and lowest instincts of the more ignorant elements of the population, reinforced by the criminally inclined . . . to rise on mass and destroy our civilization and the so-called bourgeoisie, with whom, of course, must be classed these same 'parlor Bolshevists' who are assisting in bringing the temple down upon their own heads."

The committee examined many witnesses in the effort to determine exactly what Bolshevism is, its teachings and purposes both as to Russia and as to its extension to the world. Ambassador Francis, Raymond Robbins and Mr. and Mrs. John Reid were among the Americans who pictured conditions in Russia from various points of view, while Russians familiar with recent conditions in their country also were heard. The record includes a copy of the constitution of the Russian Socialist Federal Soviet Republic and many of the laws passed thereunder.

### Appeals to Prejudices.

"The agitation," says the committee's report, "growing out of developments in Russia has largely degenerated into appeals to prejudice and animosity inherent in human nature, and little or no appeal has been made to the intelligence of people. The word 'Bolshevism' has become merely a generic term, and in America is nothing more than a slogan of the elements of unrest and discontent. Ignorant of its meaning almost every dissatisfied element from anarchist to Utopian idealist has seized on it as approaching Utopianism. Every witness championing its principles admitted he or she had not read the constitution."

In attempting to describe Bolshevism in Russia the committee summarizes briefly the story of the Russian revolution, the Kerenky regime and the preceding October revolution by which the Bolsheviki overthrew the Kerenky regime. Bolshevism in Russia is described as a class and not a democratic. A few individuals exercise an autocratic authority more cruel than czarism.

When the Constituent Assembly was elected in the latter part of 1917 it was overwhelmingly anti-Bolsheviki. The Bolsheviki, who had meanwhile seized power, demanded that this assembly abdicate, and when it refused the Red Guards drove it out and Russia's chance for a democratic assembly ended. In its place came the dictatorship of the minority under Lenin and Trotsky.

The report points out that Lenin frankly said: "Just as 150,000 lordly land owners dominated the 150,000,000 Russian peasants, so 300,000 members of the Bolsheviki party are imposing their proletarian will on the mass."

"Continuing," the report says: "And the Bolsheviki constitution declares that the chief aim is the dictatorship of city and rural proletariat and the poorest peasantry to completely suppress the bourgeois class. The capitalist class includes all who do not perform manual labor, who employ anybody, own any property or receive any income. 'Parasitism' and 'bourgeoisie' are used synonymously with 'capitalistic class.'"

### Guaranty Club Has Outing.

More than 800 members of the Guaranty Club, which is composed of the officers and employees of the Guaranty Trust Company of New York, attended the ninth annual outing and field day of the organization at Asbury Park, N. J., yesterday. There was a baseball game between teams representing the Guaranty and the New York Federal Reserve Bank, after which a shore dinner was served at the New Monterey Hotel.

## LABOR RALLIES AT CAPITAL FOR BEER

Thousands Applaud Gompers  
and Three Anti-Prohibition Congressmen.

## EXPECT WILSON TO ACT

Federation's Leader 'Puts in  
Plea for Temperance to  
Senate Committee.

WASHINGTON, June 14.—Organized labor, bringing to Congress to-day in a public demonstration its protest against prohibition of beer and wine, gave warning that the tranquility of the working classes might be seriously menaced by enforcement of the war time prohibition law.

Samuel Gompers, head of the American Federation of Labor, said he was "apprehensive of results," fearing labor would not adjust itself to the new conditions. While he declared labor leaders would do everything they could to control the situation he was unable to say "what individual workers will do."

In a three hour meeting on the eastern steps of the Capitol other advocates of wine and beer prohibition repeal protested that the provision was striking at the personal liberty of the masses and was taking from millions of workers an accustomed part of their daily food.

A crowd of several thousand, said by labor officials to represent union men in every State, came by special trains for the flag day protest meeting and cheered again and again the declaration that the people never had received an opportunity to express themselves on prohibition. Applause also greeted every prediction that the ban on beer and wine would increase unrest among the masses.

Three representatives, John F. Fitzgerald of Boston and Adolph J. Sabath and John W. Rainey of Chicago, all Democrats, addressed the meeting protesting that if Congress did not modify the July 1 law President Wilson would do so by proclamation. They agreed there was little prospect Congress would act.

It was at a hearing before the Senate Judiciary Committee that Mr. Gompers expressed apprehension over the outlook. He told the committee it was his opinion, from a long knowledge of the habits and thoughts of the workers, "that nothing could be done by Congress so prejudicial to the peace and tranquility of the masses" as the absolute prohibition law. He asked that the beer provision be modified only to permit sale of the beverage when containing not more than 2 1/2 per cent. of alcohol.

Later, speaking at the Capitol meeting, the Federation president said prohibition would affect the richer and poorer classes in a vastly different way, the laborer being unable to stock his cellar for future use. It was an unjust discrimination, he protested. "That the rich, the employers, the business men,

may have their booze at leisure for their whole lifetime guaranteed, and the right of the worker to get a glass of beer when he can, denied to him."

The working people, he asserted, were not asking for intoxicants, because the honest workman did not want them, but were only pleading for "a fair opportunity to live on whole lives." As he spoke Mr. Gompers held up a small American flag to which he repeatedly referred as the symbol of individual liberty now violated.

Although union officials previously had estimated more than 100,000 workers would take part in the protest, the crowd did not fill the Capitol plaza. Among them were more than 100 women of the Anti-Prohibition League, organized in Baltimore and led by Mrs. E. Rooney of San Francisco, who threw the meeting into a momentary tumult by mounting the speaker's table and shouting that it would take a woman to "put across" personal liberty in the United States.

In the crowd also were several hundred delegates to the convention of the American Federation at Atlantic City, who brought with them the resolution adopted by the convention asking Congress to modify the prohibition law.

### Amendment Called Iniquitous.

Beginning his address with a tribute to the flag, Mr. Gompers said the "deplorable" that "under the flag of our republic there should have been forced upon the people of the United States a most iniquitous, vicious and unwarranted constitutional amendment."

"I would challenge the man or the woman," he continued, "to stand upon any platform in our country and advocate alcoholism or alcohol drinking, but I challenge also the moral right of any one to prescribe by law the morals or the habits of the people of the United States."

"For the first time the Constitution has now as a part of it a provision that declares 'Thou shalt not.' It is the first provision in the Constitution which denies rights to the people, denies personal rights."

"We are not the advocates of the alcoholic drinking habit. On the contrary, we are the advocates of all prohibition societies, not all the temperance organizations have done one tithe of the work to make the men of labor temperate as have the organs of labor. Those who abuse the use of alcoholic drink are poor devils who are either out of work and have no spirit in them at all or the overworked and underfed workmen who try to imbibe

some artificial spirit to take the place of the natural spirit which has been crushed out of them."

"We ask a fair opportunity to live on whole lives, and not by arbitrary means by one fell swoop to try and change the habits of the people."

"We ask that we be given the opportunity not only to preach but to practice the temperate habit of our people, and that they shall come more and more away from drinking anything that shall have any content of alcohol at all."

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more than 1/4 in. across  
the sample. If the strip  
tears suggest the rubber  
is inferior.

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